

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 21, 1996

SUBJECT: **SB 2597 - HB 2474**

This bill, if enacted, will:

1. require that anyone desiring to act as a sports agent in Tennessee first register with the Secretary of State and pay a \$500 registration fee, as well as post surety bond in an amount of at least \$500,000. Initial certificates of registration would be valid for one year after the date of issuance, and would be subject to yearly renewal for a fee of \$250 upon a showing of continued validity of the surety bond.
2. require that prior to contacting a student athlete, a sports agent must provide written notice, including proof of the agent's registration, to the athletic director or chief administrative officer of the student athlete's institution. Within 48 hours after the signing of a contract, the agent must provide a copy of the contract to the athletic director or chief administrative officer of the student athlete's institution.
3. provide that a person who knowingly or intentionally conducts business as a sports agent without complying with the provisions of this bill would commit a Class C felony and be subject to a fine of up to \$500,000. Any person who otherwise conducts business as a sports agent without complying with the provisions of this bill would commit a Class D felony and be subject to a fine of up to \$250,000. A person aiding or abetting a sports agent in contravening the provisions of this bill would commit a Class E felony and be subject to a fine of up to \$100,000. The criminal provisions of this bill would be subject to an increase of one felony class if the violation involved an unregistered sports agent. The sport agent's bond would be subject to total forfeiture in order to satisfy any fines imposed relative to the above described offenses. Upon court judgment that a licensed sports agent had violated any provision of this bill, the agent's license would then be suspended for five years or until the individual is released from incarceration, whichever is greater.

The fiscal impact from enactment of this bill is estimated to be an increase in first year state revenues of \$20,000. This estimate is based on 40 agents paying an initial registration fee of \$500.

State revenues are also estimated to increase to the extent fines are imposed and collected. The amount of such increase cannot be determined but is estimated to be not significant.

Enactment of this bill is estimated to result in a one-time increase in state expenditures of \$7,000 and a recurring increase in state expenditures of \$38,000 for one position and related expenses in the Secretary of State's office to carry out provisions of the bill.

The fiscal impact from enactment of this bill is also estimated to result in an increase in state expenditures of \$9,800 for incarceration*. This estimate is based on one Class D conviction each year receiving a sentence of one year with 30% or 219 days actually being served.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James A. Davenport".

James A. Davenport, Executive Director

**Section 9-6-119, TCA, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law.*